



Press Release

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CAIT DEMAND DIGITAL PAYMENT REGULATION BOARD & WAIVER OF CHARGES ON DIGITAL PAYMENTS

In order to make India a less cash economy, the faster adoption of digital payments by trade & commerce as also by public at large is essentially important and to achieve the goal, the transaction charges on digital payments needs to be subsidised by the Government directly to the Banks and a Digital Payment Promotion Board should also be constituted to promote digital payments in India-said Mr Praveen Khandelwal, Secretary General of the Confederation of All India Traders (CAIT) today. Mr Khandelwal also opined that National Payment Corporation (NPCI) should run UPI, Bheem etc and a separate Regulatory Authority should be set up for monitoring and regulate the payment industry. He also said that when open network is being created as a policy by the Government then payment industry should also be given open network ensuring best services to the users. Undoubtedly, the Rupee has played an important role in the Country.

CAIT National President Mr B C Bhartia said that it is essential that the Union Government should subsidise transaction charges levied on digital payments to the Banks directly to avoid any financial burden either on the traders or the consumers.

Mr Bhartia & Mr Khandelwal said that burden of transaction charges is one of the major deterrent in adoption and acceptance of digital payments in the Country and as such steps are needed to incentivise usage of digital payments. It will also help the efforts for bringing informal economy to formal economy. Large amount is being spent by the Government in printing of currency and its security and logistics. Subsidising the transaction charges to the Banks will promote larger usage of digital payments at all levels and substantially fulfill the vision of Prime Minister Shri Narendra Modi to convert cash rich India to less cash India. They also suggested that on usage of ATMs beyond three times in a month, a nominal fee should be levied for subsequent cash withdrawal at ATMs. Further, an incentive scheme for greater usage of digital payments needs to be introduced and all sorts of debit and credit cards all other mode of digital payments including POS terminals, M-POS, mobile wallets, mobile applications, QR code, UPI & Aadhar enabled applications should be brought under the ambit of incentive schemes.

Mr Khandelwal suggested to form a Digital Payment Promotion Board comprising of senior officials and representatives of traders and consumers and in accordance with the recommendations of Wattal Committee an independent Payments Regulatory Board should be set up. The Non Banking Finance Companies & Micro Finance Institutions should also be brought under the landscape of digital payments to install white label POS terminals by encouraging a scheme to subsidize POS terminals directly or indirectly across both urban and rural areas- added Mr Khandelwal.

He further said that Government has drafted an incentive proposal in August, 2015 which spells out certain tax benefits and waiver of transaction costs charged by Banks. While urging the Government to implement said proposals, he said that proposal to provide incentives to shopkeepers accepting payments in business transactions through digital payments will encourage traders to embrace e-payment system.

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